

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7013**

**BILL NUMBER:** SB 586

**NOTE PREPARED:** Mar 26, 2013

**BILL AMENDED:** Mar 21, 2013

**SUBJECT:** IDEM Notice Procedures; State Construction Energy Standards.

**FIRST AUTHOR:** Sen. Charbonneau

**FIRST SPONSOR:** Rep. Wolkins

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** *IDEM Notice Procedures:* This bill allows a person to request that the Department of Environmental Management (IDEM) provide notice of an order or a determination issued by the IDEM's commissioner in an alternate manner that is reasonably available to the IDEM.

*State Construction Energy Standards:* The bill requires that all state public works projects must be designed, constructed, operated, and maintained to achieve maximum energy efficiency to the extent that this goal can be accomplished on a cost effective basis considering construction and operating costs over the life cycle of the building or structure. It also requires that Indiana hardwood lumber must be considered for use in all state public works projects as a local source material, where practicable. The bill makes conforming amendments.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** *IDEM Notice Procedures:* To the extent that individuals provide written requests to IDEM for methods of notice such as electronic mail or U.S. mail instead of certified mail, this bill could result in savings in expenses for IDEM. The precise amount of savings is indeterminable. IDEM spent about \$12,000 on certified mail in FY 2012. IDEM is funded by both state General Fund and dedicated fund appropriations.

U.S. Postal Service rates for certified mail are \$2.95 and first class postage starts at \$0.45. A return receipt by mail will cost \$2.35, or will cost \$1.15 if sent electronically.

(Revised) *State Construction Energy Standards:* This bill requires the Indiana Department of Administration

(IDOA) to develop design standards for all newly constructed government buildings, taking into consideration the cost effectiveness of building with the goal of achieving energy efficiency. This was previous practice that resulted from Executive Order 08-14, which provided that the IDOA work toward maximum energy efficiency in all projects for new construction and repairs and renovation.

The long-term impact depends on whether the potential savings in operating costs (such as heating, water, and electricity) by employing one or more of the energy-efficient standards offset any initial increase in construction or renovation costs. The potential long-term savings are indeterminable at this time. Any additional costs and operating cost savings associated with utilizing energy efficiency techniques in construction and renovation will vary depending on the project and the resources available.

(Revised) *Background Information* - The standards developed by the IDOA concerning energy efficiency may incorporate the performance criteria determined under the LEED silver rating, the Green Globes Two Globes rating, the Environmental Protection Agency Energy Star rating, or an equivalent standard that is accredited by the American National Standards Institute. The bill does not require that a project receive certification under these standards.

*LEED Rating System:* According to the U.S. Green Building Council's website, the LEED rating system was created to provide the building industry with consistent, credible standards for what constitutes a green building. The rating is determined by earning points in a number of categories, including sustainable sites, water efficiency, energy and atmosphere, materials and resources, indoor environmental quality and innovation in operations.

*Green Building Initiative's Rating System:* To achieve the Green Building Initiatives Two Globes rating, a building must achieve 550-690 of the 1,000 points possible. Areas evaluated include energy, indoor environment, emissions, resources, environmental management, site location, and water.

*Energy Star Rating:* The Energy Star is awarded to buildings that achieve a rating of 75 or higher using an Internet tool provided by the Environmental Protection Agency's Energy Star website. Areas evaluated include energy and water consumption.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IDEM; IDOA.

**Local Agencies Affected:**

**Information Sources:** U.S. Postal Service, <http://www.usps.com/prices/welcome.htm>; Brad Baughn, IDEM, 317-234-3386; U.S. Green Building Council, <http://www.usgbc.org/>; The Green Building Initiative, <http://www.thegbi.org/home.asp>; Environmental Protection Agency's Energy Star Website, <http://www.energystar.gov/>.

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